

# RAM PETROLEUMS LIMITED

Suite 4001  
Toronto-Dominion Tower  
Toronto-Dominion Centre  
Toronto, Ontario

---

## NOTICE OF ANNUAL MEETING OF SHAREHOLDERS DECEMBER 24, 1968

NOTICE IS HEREBY GIVEN that the Annual Meeting of the Shareholders of RAM PETROLEUMS LIMITED (hereinafter called the "Company") will be held at the Penthouse, Canada Trust Building, 110 Yonge Street, Toronto, on Tuesday, the 24th day of December, 1968, at 10:00 o'clock in the forenoon (Toronto Time) for the following purposes:

- (1) To receive the Report of the Directors of the Company for the year ended December 31st, 1967;
- (2) To receive the Consolidated Financial Statements of the Company and the Auditors' Report thereon for the year ended December 31st, 1967;
- (3) To elect Directors for the ensuing year;
- (4) To appoint Auditors and authorize the Directors to fix their remuneration;
- (5) To pass a Resolution approving and confirming the Management Option Agreements between the Company and Messrs. Roy Anthony Burton and Paul A. Smith approved by the Board of Directors on February 19, 1968, particulars of which are contained in the Information Circular;
- (6) To approve, ratify, adopt and confirm all acts, by-laws and proceedings of the Directors and Officers since November 30, 1967;
- (7) To transact such further or other business as may properly come before the meeting and any adjournment or adjournments thereof.

DATED at Toronto this 12th day of December, 1968.

By Order of the Board,

PAUL A. SMITH,  
*Secretary.*

NOTE: All shareholders unable to be present at the meeting are requested to complete the enclosed form of proxy and return it in the envelope provided for that purpose.



# RAM PETROLEUMS LIMITED

## INFORMATION CIRCULAR AS AT DECEMBER 12, 1968

This information circular accompanies notice of the annual meeting of shareholders of the Company called for Tuesday, the 24th day of December, 1968, and is furnished in connection with a solicitation of proxies for use at that meeting. The annual report of directors for the fiscal year ended December 31st, 1967, including consolidated financial statements, is being mailed to shareholders of record, concurrently with this circular.

### REVOCABILITY OF PROXY

Any shareholder returning the enclosed form of proxy may revoke the same at any time insofar as it has not been exercised. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the shareholder or by his attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized, and deposited either at the head office of the Company at any time up to and including the last business day preceding the day of the meeting, or any adjournment thereof, at which such proxy is to be used, or with the Chairman of such meeting on the day of the meeting, or adjournment thereof, and upon either of such deposits the proxy is revoked.

### PERSONS MAKING THE SOLICITATION

#### The enclosed proxy is being solicited by the management

Solicitations will be made by mail and possibly supplemented by telephone or other personal contact to be made without special compensation by regular officers and employees of the Company. The Company may reimburse shareholders, nominees or agents for the cost incurred in obtaining from their principals authorization to execute forms of proxy. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

### VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company has 2,862,000 Common shares issued and outstanding and they are the only equity shares of the Company entitled to vote at the meeting. Each share registered in a shareholder's name on the date of the Meeting entitles him to one vote. To the knowledge of the directors or senior officers of the Company and according to the records of the Company as of December 12th, 1968, Mr. Robert J. Opekar beneficially owned, directly or indirectly, 1,472,965 shares or 52% of the voting rights attached to all issued shares of the Company. These shares represent 550,000 shares owned by Margaret V. Opekar, wife of Robert J. Opekar; 234,965 shares owned by Opekar Investments Limited; 40,000 shares owned by R. J. Opekar Limited; 510,000 shares owned by R. J. Opekar in trust and 138,000 shares owned by R. J. Opekar.

### ELECTION OF DIRECTORS

The directors of the Company are elected annually and hold office until the following annual meeting of shareholders or until their successors are duly elected. In the absence of instructions to the contrary, the enclosed proxy will be voted for the nominees herein listed, all of whom are now members of the board of directors. The management does not contemplate that any of the nominees will be unable to serve as director.

<u>Proposed Nominee</u>	<u>Principal Occupation or Employment for the Past Five Years</u>	<u>Shares Beneficially owned directly or indirectly as at Dec. 12, 1968</u>	<u>Period During which Director from Dates as Shown</u>
Roy A. Burton	Vice-President and General Manager of Company. Formerly self employed, real estate, building and development business.	230,840	Feb. 27, 1967



<u>Proposed Nominee</u>	<u>Principal Occupation or Employment for the Past Five Years</u>	<u>Shares Beneficially owned directly or indirectly as at Dec. 12, 1968</u>	<u>Period During which Director from Dates as Shown</u>
Richard H. Krempelc	Barrister and Solicitor. Partner in firm of Stapells, Sewell, Stapells, Patterson & Rodgers.	100	Jan. 7, 1966
George C. Miller	Barrister and Solicitor. Senior partner in firm of Miller and Blais.	10,000	Nov. 30, 1967
Robert J. Opekar	Vice-President of Opekar Investments Limited. Formerly Security Salesman with Davidson & Co.	1,472,965	Jan. 23, 1963
Paul A. Smith	Secretary - Treasurer of Company. Formerly self employed Corporate Secretary and Trust Officer with Montreal Trust Company.	56,000	Nov. 30, 1967

The information as to equity shares of the Company beneficially owned as at December 12th, 1968 has been furnished by the respective nominees individually.

### REMUNERATION OF MANAGEMENT

During the fiscal year ended December 31, 1967 there was not any direct remuneration paid or payable by the Company and its subsidiary to the directors and senior officers.

Under the terms of a Management Option Agreement dated June 30, 1967 and approved by shareholders November 30, 1967, Mr. Roy A. Burton received an option to purchase 200,000 common shares at an average price of \$0.32½ per share.

On February 20th, 1968, Mr. Burton notified the Company that he was exercising his option. Subsequently on receipt of \$65,000 paid to the Company the said shares were allotted and issued as fully paid and non-assessable. The price range for the 30 day period preceding the granting of the option and the exercise date were \$0.19 high \$0.13 low and \$0.97 high and \$0.55 low, respectively.

In view of the rapid development of the Company Mr. Burton was called upon to spend about 80% of his time on behalf of the Company. The income of the Company was such as not to allow it to pay Mr. Burton the appropriate salary and he was prepared to waive salary and accept a further stock option. At a meeting of the Board of Directors at which Mr. Burton was not present the directors granted an option to Mr. Burton to purchase 200,000 treasury shares at \$1, subject to the approval of the shareholders, exercisable as follows:

1. The whole or any part of 50,000 treasury shares to be purchased on or before November 30, 1968;
2. The whole or any part of an additional 50,000 treasury shares to be purchased on or before July 31, 1969;
3. The whole or any part of an additional 50,000 treasury shares to be purchased on or before April 30, 1970;
4. The whole or any part of an additional 50,000 treasury shares to be purchased on or before May 31, 1971.

Opekar Investments Limited also granted to Mr. Burton an option on 25,000 escrowed shares at \$1, exercisable in lots of 5,000 shares on or before the dates above mentioned.

If the closing bid for the shares of the Company exceeded \$2 while Mr. Burton was employed by the Company Mr. Burton had the option to purchase the entire 225,000 shares at a price of \$1 provided that he was employed by the Company when he exercised the option. The said options terminate on the expiration date of the Agreement, namely June 30, 1971 or if Mr. Burton's employment is terminated prior to such date either by him or by the Company he will have the right to exercise all earned options within 60 days if he terminates the contract. If the Company terminates Mr. Burton's employment for cause the



option rights must be exercised within five months of the date of the giving of the notice and if such termination is without cause the options must be exercised within one year from the giving of notice.

Mr. Paul A. Smith was appointed Secretary-Treasurer of the Company on November 30, 1967 and retained for a fee of \$250 a month. Mr. Smith only devoted a portion of his time to the affairs of the Company and because of the rapid development of the Company it became necessary to call upon Mr. Smith to devote 40% of his time to the affairs of the Company.

Mr. Smith was prepared to enter into an Agreement with the Company provided that he be given an option to purchase 30,000 shares of the Company at a price of \$1 exercisable on the same terms as the stock option granted to Mr. Roy A. Burton. In the absence of Mr. Smith the Board of Directors met on February 19, 1968 and approved the said stock option.

In the thirty day period preceding the date of the said approval of the option to Mr. Smith and Mr. Burton the price range of the stock was \$0.88 high to \$0.44 low.

Unless otherwise instructed, proxies which are received pursuant to this solicitation will be voted in favour of a Resolution approving and confirming the Management Option Agreements between the Company and Messrs. Roy Anthony Burton and Paul A. Smith approved by the Board of Directors on February 19, 1968.

By letter dated February 21, 1968 Mr. Paul A. Smith advised the Company that he was exercising his option to purchase 30,000 shares of the Company at \$1 per share. Mr. Smith subsequently paid to the Company the said sum of \$30,000 and 30,000 shares have been allotted to him for issuance as fully paid and non-assessable.

In the thirty day period preceding the date of the exercise of the option by Mr. Smith the price range of the stock was \$1.35 high to \$0.55 low.

Although The Corporations Act does not require the directors to submit the stock options granted to Mr. Burton and Mr. Smith to the shareholders for their approval it was the unanimous opinion of all of the directors that as a matter of policy any stock options granted to officers or directors of the Company should be submitted to the shareholders for their approval. In the event of a negative vote by the said shareholders the said options granted by the Board of Directors on February 19, 1968 will be rescinded and the Board of Directors will have to make other arrangements to compensate the Optionees for services rendered and to be rendered by them to the Company.

### **APPOINTMENT OF AUDITORS**

It is intended to vote the proxy to appoint Messrs. Thorne, Gunn, Helliwell & Christenson as Auditors to the Company to hold office until the next annual meeting of shareholders and to authorize the directors to fix their remuneration. Messrs. Thorne, Gunn, Helliwell & Christenson have not been auditors of the Company previously.

### **VOTING OF PROXIES**

**A shareholder has the right to appoint a person (who need not be a shareholder) to attend and act for him and on his behalf at the meeting other than the persons designated in the enclosed form of proxy. To exercise this right the shareholder may insert the name of the desired person in the blank space provided in the proxy and strike out the other names or may submit another appropriate proxy.**

The shares represented by the proxy will be voted and where a choice with respect to any matter to be acted upon has been specified in the form of proxy the shares will, subject to Section 105 of The Securities Act, 1966 (Ontario), be voted in accordance with the specifications so made.

The form of proxy confers discretionary authority with respect to amendments or variations to matters identified in the notice of meeting and other matters which may properly come before the meeting. The management knows of no such amendments or variations or other matters to come before the meeting other than the matters referred to in the notice of meeting. **However, if any such amendments or variations or other matters which are not now known to the management should properly come before the meeting, the form of proxy will be voted on such matters in accordance with the best judgment of the person voting the proxy.**



AR36

Co  
cap

# RAM

**Petroleums Limited**

---

**Annual Report 1967**

---



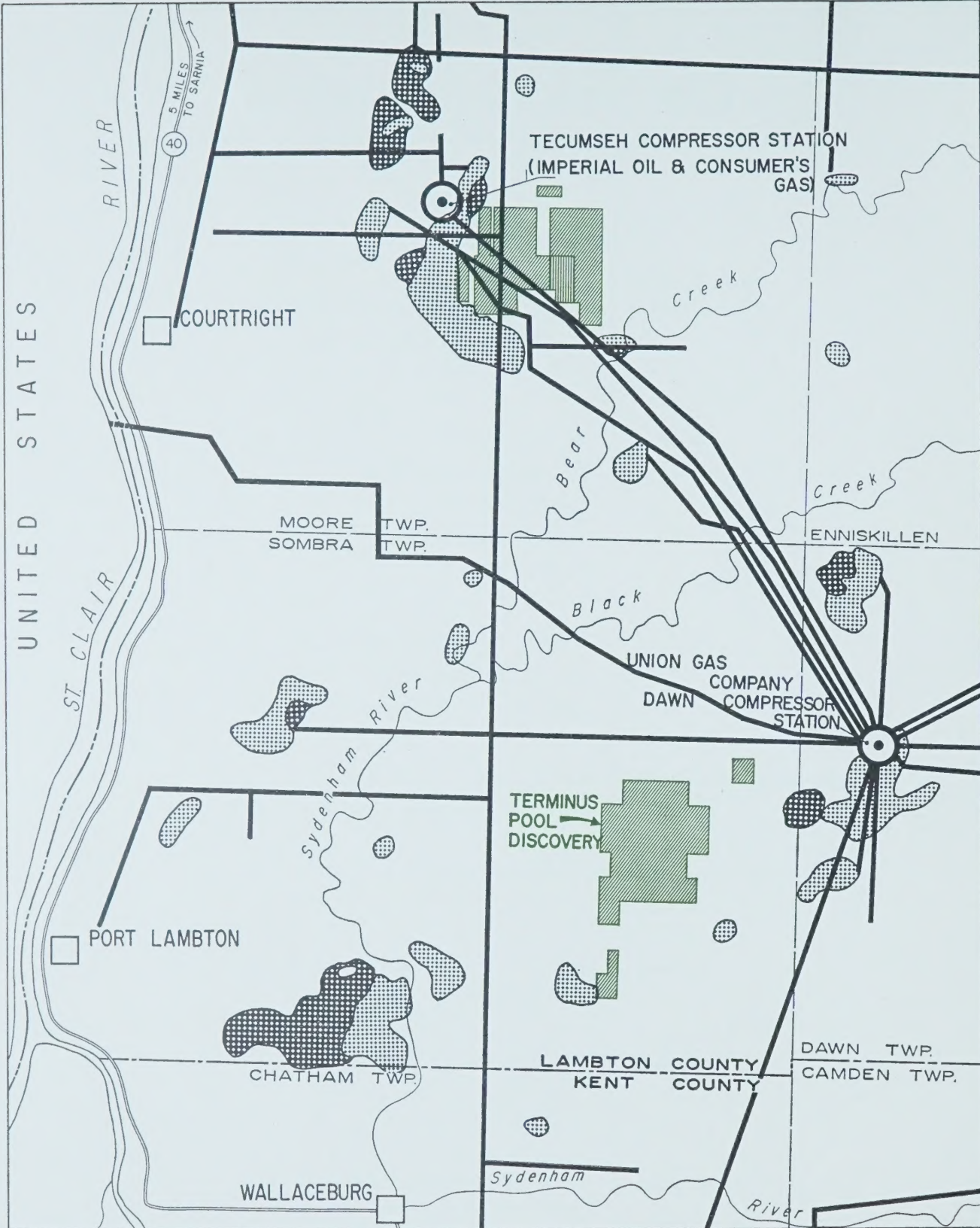


# RAM PETROLEUMS LIMITED

(Incorporated under the laws of Ontario)

<b>Executive and Head Office</b>	Suite 4001 Toronto-Dominion Tower Toronto-Dominion Centre Toronto 1, Ontario
<b>Directors</b>	ROY A. BURTON RICHARD H. KREMPULEC GEORGE C. MILLER ROBERT J. OPEKAR PAUL A. SMITH
<b>Officers</b>	ROBERT J. OPEKAR, <i>President</i> ROY A. BURTON, <i>Vice-President</i> PAUL A. SMITH, <i>Secretary-Treasurer</i>
<b>Petroleum Consultant</b>	BRUCE B. CORDEN, P.Eng. St. Clair, Michigan
<b>Transfer Agent</b>	GUARANTY TRUST COMPANY OF CANADA Toronto, Ontario
<b>Auditors</b>	*THORNE, GUNN, HELLIWELL & CHRISTENSON Toronto, Ontario
<b>Banker</b>	ROYAL BANK OF CANADA 20 King St. W., Toronto, Ontario
<b>Legal Counsel</b>	STAPELLS, SEWELL, STAPELLS, PATTERSON & RODGERS Toronto, Ontario  GIFFEN & PENZA London, Ontario
	*Subject to shareholder appointment.





— GAS TRANSMISSION LINE



OIL FIELD



GAS FIELD



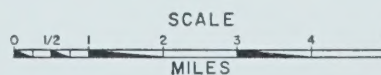
RAM PRODUCTION ACREAGE-  
35% INTEREST



RAM ACREAGE-100% INTEREST

# RAM PETROLEUMS LIMITED OIL AND GAS LEASES

COUNTY OF LAMBTON  
ONTARIO





# RAM PETROLEUMS LIMITED

## THE PRESIDENT'S LETTER TO THE SHAREHOLDERS

It gives me much pleasure to report that your company has established itself in the oil and gas business through a major Silurian reef gas discovery, the Terminus Pool located about 14 miles south of Sarnia close to the Michigan-Ontario border. To date four wells have partially delineated this reservoir and, as the General Manager's report points out, further drilling is planned in this area.

Your company has negotiated and is on the verge of signing a most favourable gas sales agreement with Union Gas Company of Canada, Limited providing for gas sales having a value of approximately one million dollars per annum for a minimum period of four years. Plans are being made for deliveries to commence during 1969. As further reserves are established by the forthcoming drilling program, your company's gas sales contract calls for a substantial escalation of sales volumes and, if necessary, for an extension of the contract term. In this context I would like to point out that only approximately one-fifth of the geophysically anomalous area has been tested by drilling.

The agreement also grants a storage option to Union whereby it will participate to the extent of 50% in a new storage company to be formed which, in turn, will have the right to purchase from Ram all cushion gas at market price and all the Terminus Pool assets at gross value for cash. In the event that this option is exercised your company is ensured substantial additional cash through sale of gas down to zero psi. Ram will also own 50% of the storage company which I believe will provide it with a substantial and continuing source of revenue. I would like to point out that gas storage requirements in Ontario grow every year and are related to the constant growth

of gas sales. Drilling to date at the Terminus Pool indicates that the reef has exceptionally good porosity and permeability, characteristics which will make it an ideal storage reservoir.

Ram's policy in future years will be to continue to seek out and develop natural resources. To this end the company has planned an extensive program for 1969. It will also be the company's policy to invest a substantial portion of its revenues in investment situations and thereby diversify its operations. It is premature at this time to suggest fields in which your company may become interested, but shareholders will be kept informed of developments as they occur.

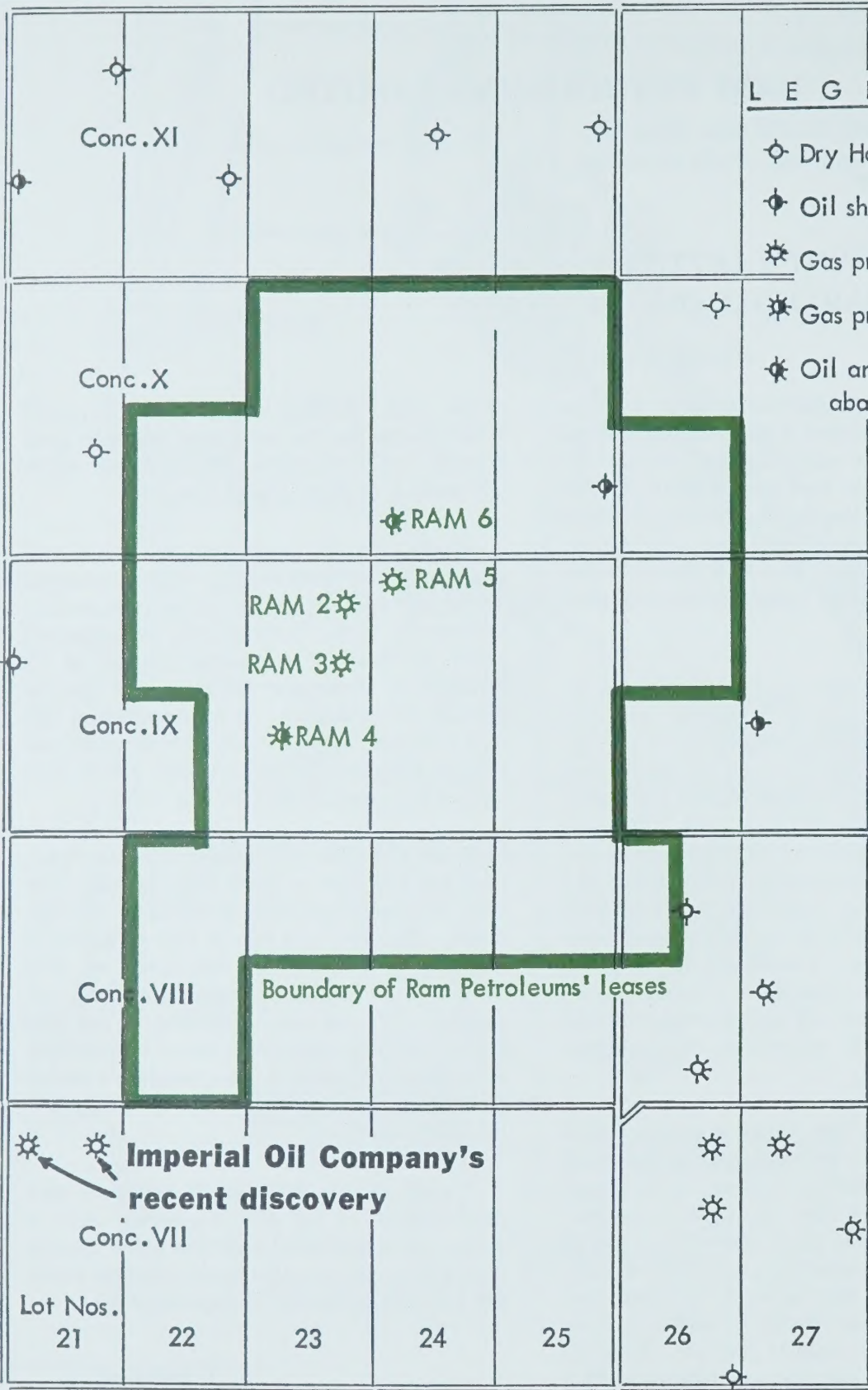
I am conscious that in past years your company has not done as much as might have been done in keeping you fully informed of developments. This has been due in part to the hectic sequence of events which has taken up your company's management group's full time and energies. We are now established in our own offices and have designated areas of responsibility so as better to attend to your company's affairs. I foresee a much smoother company operation in the years ahead.

Canada is only beginning its period of most rapid growth. I feel that a company such as yours, with a substantial cash flow and a strongly motivated, young and capable management group, will take full advantage of opportunities.

R. J. OPEKAR,  
President.

December 2, 1968.





# LEGEND

- Dry Hole
- ⊙ Oil show abandoned
- ☀ Gas producer
- ☀⊙ Gas producer oil show
- ⊙⊙ Oil and gas show abandoned

RAM PETROLEUMS LIMITED

**TERMINUS POOL**

SOMBRA TOWNSHIP - ONTARIO

0 1 mile



# RAM PETROLEUMS LIMITED

## THE GENERAL MANAGER'S LETTER TO THE SHAREHOLDERS

As a result of detailed geophysical and geological evaluations of the company's two lease blocks in the Townships of Sombra and Moore in the County of Lambton in southwestern Ontario we contracted to drill two wells. I am pleased to report the results of these tests and the subsequent developments.

### SOMBRA TOWNSHIP

The exploratory test in Sombra, known as Ram No. 2 Sombra 1-23-IX blew out of control February 20th after intersecting 18 feet of Silurian natural gas reef and subsequently was brought under control 2½ days later. In view of the severe damage to the upper formation created by the blow-out it was not possible to continue drilling through the reef. The well was completed with a calculated absolute open flow of 14.7 mmcf per day after treatment.

To date we have completed drilling four additional wells on this reef, which is now designated as the Terminus Pool, and the results of each are as follows:

Ram No. 3 intersected 278 feet of net pay zone on the crest of the reef and flowed 26.5 mmcf. per day after treatment.

Ram No. 4 intersected 125 feet of net pay zone on the western flank of the reef and flowed 46.5 mmcf per day after treatment.

Ram No. 5 intersected 256 feet of net pay zone on the crest of the reef and flowed 35.0 mmcf before treatment. The treatment of this well is planned early in 1969.

Ram No. 6 intersected 12 feet of an oil and gas section on the northeastern edge at a point at which a pinch-in occurs. In view of the narrowness of the zone encountered this well was not completed and subsequently plugged.

Therefore to date the total calculated absolute open flow of the field is now 122.7 million cubic feet per day.

The map contained on page 4 outlines the 2200 acre Terminus Pool lease block in which your company retains a 100% working interest. We have completed a digitized seismic survey of the entire lease block which has indicated a substantial extension of the anomalous area proven by drilling to date and therefore it is likely that reserves will be increased by further drilling. An indication of this may be found in that Imperial Oil Limited has recently completed two wells in which reefing has been reported. One of these is approximately 700 feet due southwest

of the southern edge of your company's block.

We have endeavoured in the development of the Terminus Pool to employ the most advanced technological procedures to facilitate the eventual conversion of this field to storage operations. As a result our investment per well may, in some cases, be somewhat higher than is usual for the industry in this area. However, by making these additional expenditures now your company will be able to convert the field into a computer controlled storage operation with every foot of porosity and permeability stored in the computer memory bank so that all projected operations can be controlled by computer. It is our intention to continue drilling development wells on this basis through 1969.

Under the terms of the proposed contract with Union your company is only responsible for the installation of approximately 5000 feet of pipeline within the field and a commitment for construction will be made shortly. In addition a liquid hydrocarbon stripping installation is planned and the propane, pentane and other liquids which will be removed prior to the delivery of gas are expected to generate additional revenues.

### MOORE TOWNSHIP

In January of 1968 your company commenced drilling on a 100 acre lease in an attempt to offset a producing gas well located some 2000 feet to the south. Although we intersected a 15 foot gas bearing zone, completion attempts failed due to formation blockage and consequently the well has been abandoned.

Your company has been successful in assembling a 2000 acre lease block adjoining the Kimball-Colinville field (now Tecumseth Gas Storage) and is presently concluding a geophysical and geological evaluation. Should these results be favourable an exploratory well will be drilled early in 1969.

I would like to take this opportunity to extend the company's sincere appreciation to its Petroleum Consultant, Mr. Bruce C. Corden of St. Clair, Michigan. Mr. Corden's geological and technical advice has proven invaluable in the development of the Terminus Pool.

ROY A. BURTON

Vice-President  
General Manager

December 2, 1968



# CONSOLIDATED BALANCE SHEET as at December 31, 1967 and 1966

ASSETS		
	1967	1966
CURRENT ASSETS		
Cash in bank . . . . .	\$ 10,120.40	\$ 253.72
Accounts receivable . . . . .	1,382.44	1,005.79
Investments at cost (market value \$26,370) . . . . .	22,402.00	13,373.50
	<u>33,904.84</u>	<u>14,633.01</u>
FIXED ASSETS		
Oil and gas leases . . . . .	84,418.61	77,332.61
Furniture and fixtures . . . . .	200.00	200.00
Prospecting equipment . . . . .	706.08	
	<u>85,324.69</u>	<u>77,532.61</u>
OTHER ASSETS		
Advances . . . . .	1,500.00	
Organization expenses . . . . .	1,513.50	1,513.50
Excess of cost of subsidiary, over book value . . . . .	158,752.37	158,752.37
Mining claims . . . . .	2,250.00	1,500.00
	<u>164,015.87</u>	<u>161,765.87</u>
	<u>\$ 283,245.40</u>	<u>\$ 253,931.49</u>

Approved on behalf of the Board:

ROBERT J. OPEKAR, Director.

PAUL A. SMITH, Director.



# RAM PETROLEUMS LIMITED

(and its wholly owned subsidiary)

## FIBROP MINES AND OILS LIMITED

### LIABILITIES

	1967	1966
CURRENT LIABILITIES		
Accounts payable and accrued charges .....	\$ 18,701.72	\$ 8,772.11
Bank loan .....		2,994.17
LONG TERM LIABILITIES		
Loan payable — R. J. Opekar (without interest) .....	48,650.00	62,400.00
	<u>67,351.72</u>	<u>74,166.28</u>

### SHAREHOLDERS' EQUITY

#### CAPITAL STOCK

##### AUTHORIZED:

150,000 6% non cumulative, redeemable convertible preferred shares par value \$1.00 each .....		150,000.00
4,000,000 Common shares par value 25¢ .....		1,000,000.00
		<u>1,150,000.00</u>

##### ISSUED COMMON SHARES:

1,000,000 for subsidiary company .....	250,000.00	250,000.00
Less discount .....	87,500.00	87,500.00
	<u>162,500.00</u>	<u>162,500.00</u>
1,432,000 for cash .....	358,000.00	208,000.00
Less discount .....	101,200.00	31,200.00
	<u>256,800.00</u>	<u>176,800.00</u>
	<u>419,300.00</u>	<u>339,300.00</u>
Capital surplus from creditor settlements .....	35,237.05	35,237.05
	<u>454,537.05</u>	<u>374,537.05</u>
Deficit account .....	238,643.37	194,771.84
	<u>215,893.68</u>	<u>179,765.21</u>
	<u>\$ 283,245.40</u>	<u>\$ 253,931.49</u>

There were options outstanding at December 31, 1967, as follows:  
200,000 at 20 cents by January 28, 1968.



# RAM PETROLEUMS LIMITED

(and its wholly owned subsidiary)

## FIBROP MINES AND OILS LIMITED

### STATEMENT OF PROFIT AND LOSS

For the Years Ended December 31, 1967 and 1966

	1967	1966
Oil production revenue (net) .....	\$ 747.72	\$ 6,936.04
Profit on claims sold .....	1,900.00	
Profit on securities sold .....	1,672.62	
Dividend income .....	91.00	
	<u>4,411.34</u>	<u>6,936.04</u>
DEVELOPMENT EXPENSES		
Prospecting .....	6,963.11	
Lease rentals .....	5,975.00	6,238.38
Seismic survey .....	13,267.80	
Drilling .....	3,820.94	
Consulting Fee .....	1,942.05	2,251.24
Travelling .....	2,317.00	
Equipment rental .....	303.13	
Miscellaneous .....	859.22	
	<u>35,448.25</u>	<u>8,489.62</u>
ADMINISTRATIVE EXPENSES		
Underwriting .....	3,434.80	
Legal .....	2,125.67	3,697.78
Executive salary .....		1,700.00
Secretarial .....	1,506.00	
Interest .....	692.37	2,499.32
Shareholders and annual meeting .....	591.04	
Miscellaneous .....	484.74	513.43
	<u>8,834.62</u>	<u>8,410.53</u>
	<u>44,282.87</u>	<u>16,900.15</u>
Net loss for year .....	<u>\$ 39,871.53</u>	<u>\$ 9,964.11</u>

### DEFICIT ACCOUNT

Balance January 1 .....	\$194,771.84	\$ 50,297.84
Loss for year .....	39,871.53	9,964.11
Loss on disposal of leases and wells .....	4,000.00	129,675.00
Loss on disposal of furniture .....		2,334.89
Mining claims abandoned .....		2,500.00
	<u>\$238,643.37</u>	<u>\$194,771.84</u>



# RAM PETROLEUMS LIMITED

*(and its wholly owned subsidiary)*

## FIBROP MINES AND OILS LIMITED

### STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the Year Ended 1967

Net Current Assets January 1, 1967 .....	\$ 2,866.73
Add proceeds of sale of 600,000 common shares (net) .....	80,000.00
	<hr/>
	\$82,866.73
Loss for year .....	\$39,871.53
Loan reduction .....	13,750.00
Lease purchased .....	7,086.00
Cost of well abandoned .....	4,000.00
Claims acquired (net) .....	750.00
Advances re future expenses .....	1,500.00
Prospecting equipment bought .....	706.08
Net current assets December 31, 1967 ..	15,203.12
	<hr/>
	<u>\$82,866.73</u>

### AUDITOR'S REPORT

To the Shareholders of  
Ram Petroleums Limited:

I have examined the consolidated balance sheet of Ram Petroleum Limited, and its subsidiary, Fibrop Mines and Oils Limited, as at December 1967, and the consolidated statements of operations and deficit for the year ended on that date. My examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as I considered necessary in the circumstances.

In my opinion, the accompanying consolidated balance sheet and consolidated statements of operations and deficit present fairly, on a consolidated basis, the financial position of the companies as at December 31, 1967, and the results of their operations for the year ended on that date, in accordance with generally accepted accounting principles.

DEREK STODART,  
Chartered Accountant.

March 5, 1968.

















